

Assembly Bill No. 2738

CHAPTER 828

An act to amend Sections 25249.7 and 116835 of the Health and Safety Code, relating to contamination.

[Approved by Governor September 29, 2014. Filed with
Secretary of State September 29, 2014.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2738, Committee on Environmental Safety and Toxic Materials. Contamination.

(1) Existing law, the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65), prohibits any person, in the course of doing business, from knowingly and intentionally exposing any individual to a chemical known to the state to cause cancer or reproductive toxicity without giving a specified warning, or from knowingly discharging or releasing that chemical into water or any source of drinking water, except as specified. The act imposes civil penalties of not more than \$2,500 per day upon persons who violate those prohibitions and provides for the enforcement of those prohibitions by the Attorney General, a district attorney, or specified city attorneys or prosecutors, and by any person in the public interest. Existing law, in an action brought by a person in the public interest, requires a person who serves notice of the alleged violation for an exposure to complete, as appropriate, and provide to the alleged violator a notice of special compliance procedure and proof of compliance form, as specified, and prohibits an action from being filed if specified circumstances are met, including the notice being timely served and the alleged violator correcting the alleged violation. Existing law requires the notice to allege that the alleged violator failed to provide clear and reasonable warning of specified exposures and no other violation.

This bill would require the notice of special compliance procedure and proof of compliance form to be provided to the alleged violator at the time the notice of the alleged violation is served. The bill would also require that the notice allege that the alleged violator failed to provide clear and reasonable warning regarding specified exposures.

(2) Existing law, before July 1, 2014, required the State Department of Public Health to adopt regulations setting forth the criteria and procedures for certification of specified water treatment devices. Existing law prohibits the sale or distribution of a water treatment device for which a health or safety claim is made, unless the device is included on the list of water treatment devices published on the department's Internet Web site and certified by an independent certified organization that has been accredited

by the American National Standards Institute. Existing law transferred these duties to the State Water Resources Control Board on July 1, 2014.

This bill would remove the requirement of certification by an independent certified organization. The bill would make changes to reflect the transfer of duties from the department to the State Water Resources Control Board.

The people of the State of California do enact as follows:

SECTION 1. Section 25249.7 of the Health and Safety Code is amended to read:

25249.7. (a) A person who violates or threatens to violate Section 25249.5 or 25249.6 may be enjoined in any court of competent jurisdiction.

(b) (1) A person who has violated Section 25249.5 or 25249.6 is liable for a civil penalty not to exceed two thousand five hundred dollars (\$2,500) per day for each violation in addition to any other penalty established by law. That civil penalty may be assessed and recovered in a civil action brought in any court of competent jurisdiction.

(2) In assessing the amount of a civil penalty for a violation of this chapter, the court shall consider all of the following:

- (A) The nature and extent of the violation.
- (B) The number of, and severity of, the violations.
- (C) The economic effect of the penalty on the violator.
- (D) Whether the violator took good faith measures to comply with this chapter and the time these measures were taken.
- (E) The willfulness of the violator's misconduct.
- (F) The deterrent effect that the imposition of the penalty would have on both the violator and the regulated community as a whole.
- (G) Any other factor that justice may require.

(c) Actions pursuant to this section may be brought by the Attorney General in the name of the people of the State of California, by a district attorney, by a city attorney of a city having a population in excess of 750,000, or, with the consent of the district attorney, by a city prosecutor in a city or city and county having a full-time city prosecutor, or as provided in subdivision (d).

(d) Actions pursuant to this section may be brought by a person in the public interest if both of the following requirements are met:

(1) The private action is commenced more than 60 days from the date that the person has given notice of an alleged violation of Section 25249.5 or 25249.6 that is the subject of the private action to the Attorney General and the district attorney, city attorney, or prosecutor in whose jurisdiction the violation is alleged to have occurred, and to the alleged violator. If the notice alleges a violation of Section 25249.6, the notice of the alleged violation shall include a certificate of merit executed by the attorney for the noticing party, or by the noticing party, if the noticing party is not represented by an attorney. The certificate of merit shall state that the person executing the certificate has consulted with one or more persons with relevant and

appropriate experience or expertise who has reviewed facts, studies, or other data regarding the exposure to the listed chemical that is the subject of the action, and that, based on that information, the person executing the certificate believes there is a reasonable and meritorious case for the private action. Factual information sufficient to establish the basis of the certificate of merit, including the information identified in paragraph (2) of subdivision (h), shall be attached to the certificate of merit that is served on the Attorney General.

(2) Neither the Attorney General, a district attorney, a city attorney, nor a prosecutor has commenced and is diligently prosecuting an action against the violation.

(e) A person bringing an action in the public interest pursuant to subdivision (d) and a person filing an action in which a violation of this chapter is alleged shall notify the Attorney General that the action has been filed. Neither this subdivision nor the procedures provided in subdivisions (f) to (k), inclusive, affect the requirements imposed by statute or a court decision in existence on January 1, 2002, concerning whether a person filing an action in which a violation of this chapter is alleged is required to comply with the requirements of subdivision (d).

(f) (1) A person filing an action in the public interest pursuant to subdivision (d), a private person filing an action in which a violation of this chapter is alleged, or a private person settling a violation of this chapter alleged in a notice given pursuant to paragraph (1) of subdivision (d), shall, after the action or violation is subject either to a settlement or to a judgment, submit to the Attorney General a reporting form that includes the results of that settlement or judgment and the final disposition of the case, even if dismissed. At the time of the filing of a judgment pursuant to an action brought in the public interest pursuant to subdivision (d), or an action brought by a private person in which a violation of this chapter is alleged, the plaintiff shall file an affidavit verifying that the report required by this subdivision has been accurately completed and submitted to the Attorney General.

(2) A person bringing an action in the public interest pursuant to subdivision (d), or a private person bringing an action in which a violation of this chapter is alleged, shall, after the action is either subject to a settlement, with or without court approval, or to a judgment, submit to the Attorney General a report that includes information on any corrective action being taken as a part of the settlement or resolution of the action.

(3) The Attorney General shall develop a reporting form that specifies the information that shall be reported, including, but not limited to, for purposes of subdivision (e), the date the action was filed, the nature of the relief sought, and for purposes of this subdivision, the amount of the settlement or civil penalty assessed, other financial terms of the settlement, and any other information the Attorney General deems appropriate.

(4) If there is a settlement of an action brought by a person in the public interest under subdivision (d), the plaintiff shall submit the settlement, other than a voluntary dismissal in which no consideration is received from the

defendant, to the court for approval upon noticed motion, and the court may approve the settlement only if the court makes all of the following findings:

(A) The warning that is required by the settlement complies with this chapter.

(B) The award of attorney's fees is reasonable under California law.

(C) The penalty amount is reasonable based on the criteria set forth in paragraph (2) of subdivision (b).

(5) The plaintiff subject to paragraph (4) has the burden of producing evidence sufficient to sustain each required finding. The plaintiff shall serve the motion and all supporting papers on the Attorney General, who may appear and participate in a proceeding without intervening in the case.

(6) Neither this subdivision nor the procedures provided in subdivision (e) and subdivisions (g) to (k), inclusive, affect the requirements imposed by statute or a court decision in existence on January 1, 2002, concerning whether claims raised by a person or public prosecutor not a party to the action are precluded by a settlement approved by the court.

(g) The Attorney General shall maintain a record of the information submitted pursuant to subdivisions (e) and (f) and shall make this information available to the public.

(h) (1) Except as provided in paragraph (2), the basis for the certificate of merit required by subdivision (d) is not discoverable. However, nothing in this subdivision precludes the discovery of information related to the certificate of merit if that information is relevant to the subject matter of the action and is otherwise discoverable, solely on the ground that it was used in support of the certificate of merit.

(2) Upon the conclusion of an action brought pursuant to subdivision (d) with respect to a defendant, if the trial court determines that there was no actual or threatened exposure to a listed chemical, the court may, upon the motion of that alleged violator or upon the court's own motion, review the basis for the belief of the person executing the certificate of merit, expressed in the certificate of merit, that an exposure to a listed chemical had occurred or was threatened. The information in the certificate of merit, including the identity of the persons consulted with and relied on by the certifier, and the facts, studies, or other data reviewed by those persons, shall be disclosed to the court in an in-camera proceeding at which the moving party shall not be present. If the court finds that there was no credible factual basis for the certifier's belief that an exposure to a listed chemical had occurred or was threatened, then the action shall be deemed frivolous within the meaning of Section 128.7 of the Code of Civil Procedure. The court shall not find a factual basis credible on the basis of a legal theory of liability that is frivolous within the meaning of Section 128.7 of the Code of Civil Procedure.

(i) The Attorney General may provide the factual information submitted to establish the basis of the certificate of merit on request to a district attorney, city attorney, or prosecutor within whose jurisdiction the violation is alleged to have occurred, or to any other state or federal government agency, but in all other respects the Attorney General shall maintain, and ensure that all recipients maintain, the submitted information as confidential

official information to the full extent authorized in Section 1040 of the Evidence Code.

(j) In an action brought by the Attorney General, a district attorney, a city attorney, or a prosecutor pursuant to this chapter, the Attorney General, district attorney, city attorney, or prosecutor may seek and recover costs and attorney's fees on behalf of a party who provides a notice pursuant to subdivision (d) and who renders assistance in that action.

(k) Any person who serves a notice of alleged violation pursuant to paragraph (1) of subdivision (d) for an exposure identified in subparagraph (A), (B), (C), or (D) of paragraph (1) shall complete, as appropriate, and provide to the alleged violator at the time the notice of alleged violation is served, a notice of special compliance procedure and proof of compliance form pursuant to subdivision (l) and shall not file an action for that exposure against the alleged violator, or recover from the alleged violator in a settlement any payment in lieu of penalties or any reimbursement for costs and attorney's fees, if all of the following conditions have been met:

(1) The notice given pursuant to paragraph (1) of subdivision (d) was served on or after the effective date of the act amending this section during the 2013–14 Regular Session and alleges that the alleged violator failed to provide clear and reasonable warning as required under Section 25249.6 regarding one or more of the following:

(A) An exposure to alcoholic beverages that are consumed on the alleged violator's premises to the extent onsite consumption is permitted by law.

(B) An exposure to a chemical known to the state to cause cancer or reproductive toxicity in a food or beverage prepared and sold on the alleged violator's premises primarily intended for immediate consumption on or off premises, to the extent of both of the following:

(i) The chemical was not intentionally added.

(ii) The chemical was formed by cooking or similar preparation of food or beverage components necessary to render the food or beverage palatable or to avoid microbiological contamination.

(C) An exposure to environmental tobacco smoke caused by entry of persons (other than employees) on premises owned or operated by the alleged violator where smoking is permitted at any location on the premises.

(D) An exposure to chemicals known to the state to cause cancer or reproductive toxicity in engine exhaust, to the extent the exposure occurs inside a facility owned or operated by the alleged violator and primarily intended for parking noncommercial vehicles.

(2) Within 14 days after service of the notice, the alleged violator has done all of the following:

(A) Corrected the alleged violation.

(B) (i) Agreed to pay a civil penalty for the alleged violation of Section 25496.6 in the amount of five hundred dollars (\$500), to be adjusted quinquennially pursuant to clause (ii), per facility or premises where the alleged violation occurred, of which 75 percent shall be deposited in the Safe Drinking Water and Toxic Enforcement Fund, and 25 percent shall be paid to the person that served the notice as provided in Section 25249.12.

(ii) On April 1, 2019, and at each five-year interval thereafter, the dollar amount of the civil penalty provided pursuant to this subparagraph shall be adjusted by the Judicial Council based on the change in the annual California Consumer Price Index for All Urban Consumers, published by the Department of Industrial Relations, Division of Labor Statistics, for the most recent five-year period ending on December 31 of the year preceding the year in which the adjustment is made, rounded to the nearest five dollars (\$5). The Judicial Council shall quinquennially publish the dollar amount of the adjusted civil penalty provided pursuant to this subparagraph, together with the date of the next scheduled adjustment.

(C) Notified, in writing, the person that served the notice of the alleged violation, that the violation has been corrected. The written notice shall include the notice of special compliance procedure and proof of compliance form specified in subdivision (l), which was provided by the person serving notice of the alleged violation and which shall be completed by the alleged violator as directed in the notice.

(3) The alleged violator shall deliver the civil penalty to the person that served the notice of the alleged violation within 30 days of service of that notice, and the person that served the notice of violation shall remit the portion of the penalty due to the Safe Drinking Water and Toxic Enforcement Fund within 30 days of receipt of the funds from the alleged violator.

(l) The notice required to be provided to an alleged violator pursuant to subdivision (k) shall be presented as follows:

Date:
Name of Noticing Party or attorney for Noticing Party:
Address:
Phone number:

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SPECIAL COMPLIANCE PROCEDURE

PROOF OF COMPLIANCE

You are receiving this form because the Noticing Party listed above has alleged that you are violating California Health and Safety Code §25249.6 (Prop. 65).

The Noticing Party may not bring any legal proceedings against you for the alleged violation checked below if:

- (1) You have actually taken the corrective steps that you have certified in this form.
- (2) The Noticing Party has received this form at the address shown above, accurately completed by you, postmarked within 14 days of your receiving this notice.
- (3) The Noticing Party receives the required \$500 penalty payment from you at the address shown above postmarked within 30 days of your receiving this notice.
- (4) This is the first time you have submitted a Proof of Compliance for a violation arising from the same exposure in the same facility on the same premises.

PART 1: TO BE COMPLETED BY THE NOTICING PARTY OR ATTORNEY FOR THE NOTICING PARTY

The alleged violation is for an exposure to: (check one)

___ Alcoholic beverages that are consumed on the alleged violator's premises to the extent on-site consumption is permitted by law.

___ A chemical known to the state to cause cancer or reproductive toxicity in a food or beverage prepared and sold on the alleged violator's premises for immediate consumption on or off premises to the extent: (1) the chemical was not intentionally added; and (2) the chemical was formed by cooking or similar preparation of food or beverage components necessary to render the food or beverage palatable or to avoid microbiological contamination.

___ Environmental tobacco smoke caused by entry of persons (other than employees) on premises owned or operated by the alleged violator where smoking is permitted at any location on the premises.

___ Chemicals known to the State to cause cancer or reproductive toxicity in engine exhaust, to the extent the exposure occurs inside a facility owned or operated by the alleged violator and primarily intended for parking noncommercial vehicles.

IMPORTANT NOTES:

- (1) You have no potential liability under California Health and Safety Code §25249.6 if your business has nine (9) or fewer employees.
- (2) Using this form will NOT prevent the Attorney General, a district attorney, a city attorney, or a prosecutor in whose jurisdiction the violation is alleged to have occurred from filing an action over the same alleged violations, and that in any such action, the amount of civil penalty shall be reduced to reflect any payment made at this time.

Date:

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Name of Noticing Party or attorney for Noticing Party:

Address:

Phone number:

PART 2: TO BE COMPLETED BY THE ALLEGED VIOLATOR OR AUTHORIZED REPRESENTATIVE**Certification of Compliance**

Accurate completion of this form will demonstrate that you are now in compliance with California Health and Safety Code §25249.6 for the alleged violation listed above. You must complete and submit the form below to the Noticing Party at the address shown above, postmarked within 14 days of you receiving this notice.

I hereby agree to pay, within 30 days of completion of this notice, a civil penalty of \$500 to the Noticing Party only and certify that I have complied with Health and Safety Code §25249.6 by (check only one of the following):

- ☐ Posting a warning or warnings about the alleged exposure that complies with the law, and attaching a copy of that warning and a photograph accurately showing its placement on my premises;
☐ Posting the warning or warnings demanded in writing by the Noticing Party, and attaching a copy of that warning and a photograph accurately showing its placement on my premises; OR
☐ Eliminating the alleged exposure, and attaching a statement accurately describing how the alleged exposure has been eliminated.

Certification

My statements on this form, and on any attachments to it, are true, complete, and correct to the best of my knowledge and belief and are made in good faith. I have carefully read the instructions to complete this form. I understand that if I make a false statement on this form, I may be subject to additional penalties under the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65).

Signature of alleged violator or authorized representative_____
Date_____
Name and title of signatory

(m) An alleged violator may satisfy the conditions set forth in subdivision (k) only one time for a violation arising from the same exposure in the same facility or on the same premises.

(n) Nothing in subdivision (k) shall prevent the Attorney General, a district attorney, a city attorney, or a prosecutor in whose jurisdiction the violation is alleged to have occurred from filing an action pursuant to subdivision (c) against an alleged violator. In any such action, the amount of any civil penalty for a violation shall be reduced to reflect any payment made by the alleged violator for the same alleged violation pursuant to subparagraph (B) of paragraph (2) of subdivision (k).

SEC. 2. Section 116835 of the Health and Safety Code is amended to read:

116835. (a) A water treatment device for which a health or safety claim is made shall not be sold or otherwise distributed unless the device is included on the list of water treatment devices published on the state board's Internet Web site pursuant to Section 116845.

(b) After July 1, 2015, the exterior packaging of a water treatment device for which a health or safety claim is made, and that is offered for sale in a retail establishment in California, shall clearly identify the contaminant or contaminants that the device has been certified pursuant to subdivision (a) to remove or reduce. If a device has been certified to remove or reduce more than five contaminants, at least five contaminants shall be listed on the exterior packaging followed by a statement directing consumers to visit the manufacturer's Internet Web site to obtain information regarding additional contaminants that the device is certified to remove or reduce.

(c) After July 1, 2015, the manufacturer of a water treatment device for which it makes a health or safety claim shall include with each water treatment device offered for sale in California a decal that may be affixed to the device by the consumer that states, at a minimum, the following:

“Please refer to the owner's manual for proper maintenance and operation. If this device is not maintained and operated as specified in the owner's manual, there is a risk of exposure to contaminants. For more information, visit the manufacturer's Internet Web site at

Manufacturer's Internet Web
____ or the State Water Resources Control Board's Internet Web site at
site
www.swrcb.ca.gov.”